

*Fact Sheet**November 1997*

Cooperative Marketing Associations & FSA Loan Programs

Background

The Commodity Credit Corporation (CCC) approves cooperative marketing associations (CMAs) to participate in loan and loan deficiency payment (LDP) programs on behalf of their producer members. Producers who are eligible for loan and LDP programs can market their commodities through their cooperatives.

Eligible commodities include barley, canola, corn, cotton (upland and extra long staple), flaxseed, mustard seed, oats, rapeseed, rice, safflower, seed cotton, sorghum, soybeans, sunflower seed, and wheat.

Program Activities

Approved cooperatives utilize the loan and LDP programs the same way as eligible agricultural producers to obtain loans and lower interest financing than may be available elsewhere. Depending on the commodity, approved cooperatives may obtain nonrecourse or recourse loans.

Members of approved CMAs receive CCC loan funds minus authorized charges when a commodity is placed under loan. The CMA may then market the commodity throughout the entire marketing season. Additional net proceeds are paid to producers at the end of the marketing season.

Pool Options

A commodity that is otherwise eligible for loan or LDP must be delivered to a pool according to a uniform marketing agreement between the CMA and participating producer members. CMAs may choose to request approval to use purchase, pricing, and seasonal pools that best meet the needs of its members in conjunction with their loan activities.

Participation

Producers or CMAs wishing additional information on how cooperatives can participate in loan and LDP programs should contact:

*FSA Price Support Division,
1400 Independence Avenue, SW,
Washington, DC 20250-0512, or
telephone (202) 720-3110.*

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To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C., 20250, or call 1 800-245-6340 (voice) or (202) 720-1127 (TDD).

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